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INSTRUCTIONS FOR PREPARING FORM VEC-FC-27

Enter your responses in the spaces provided, print, sign, and return the completed form VEC~FC-27 to the Virginia Employment Commission, Employer Accounts - Room 108, PO Box 1358, Richmond, VA 23218-1358, or fax the completed and signed form to (804) 786-5890. Questions should be directed to the VEC field office nearest you. A list of VEC field offices is available online at www.vaemploy.com.

Form VEC-FC-27 is required by law if you have or had any employees. Under Federal Law Section 6103-D of the Internal Revenue Code, the VEC obtains information from the IRS. Such information may be disseminated to other governmental agencies and the Virginia Department of Taxation under Section 2.1-377 of the *Code of Virginia*. If you do not agree with our liability determination, Section 60.2-500 of the Virginia Unemployment Compensation Act allows you to submit a written request for a hearing.

WHO IS AN EMPLOYEE? One who performs a service for remuneration under any contract of hire written, oral, expressed or implied. An individual proprietor of a proprietorship is not an employee. Partners of a partnership are not employees. Officers of a corporation are employees if they perform a service and expect to be paid.

WHAT ARE WAGES? All remuneration payable for personal service, including commissions, tips, bonuses and the cash value of all remuneration payable in any medium other than cash. Please keep in mind the cash value of remuneration means board, lodging, or any other payment in kind, considered as payment for services performed by the worker. However, the value of meals and lodging furnished to an employee at the premises of the employer is not considered as wages if these benefits are furnished for the convenience of the employer.

HOW AM I LIABLE? You are subject to the Unemployment Tax if you have met one of the following criteria) One or more employees (ten employees if your operation is agricultural) for some portion of a day during any 20 different weeks in a calendar year, or 2) A \$1,500 or more total gross quarterly payroll (\$20,000 if your business is agricultural; \$1,000 if domestic labor), or 3) Acquired a business subject to this tax, or 4) Been subject to the Federal Unemployment Tax, or 5) You are a governmental operation or political subdivision, or 6) A nonprofit organization under Section 501(c)(3) of the Internal Revenue Code and had four or more employees for some portion of a day during any 20 different weeks in a calendar year. The law requires that you contact us anytime you meet the criteria mentioned above.

GENERAL EMPLOYERS (Question 7a): Those employers who operate any kind of a business. Do not include agricultural or domestic employees in answering question 7a.

AGRICULTURAL EMPLOYERS (Question 7b): Includes those operations in which the service is performed on a farm, in connection with cultivating the soil, or in connection with raising or harvesting any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training, and management of livestock, bees, poultry, and fur bearing animals and wildlife. Do not include agricultural labor when answering question 7a.

DOMESTIC EMPLOYERS (Question 7c): Occupations usually considered as domestic services in private households cooks, laundresses, aids, sitters, butlers, personal secretaries, managers of personal affairs, nurse's aides, companions, porters, gardeners, caretakers, chauffeurs, and other maintenance workers. Do not include domestic labor in answering questions 7a and 7b.

NONPROFIT ORGANIZATIONS (Question 8): If you answer yes to Question 8, do not complete questions 7 or 10.

ACQUISITIONS (Question 9): **TOTAL ACQUISITIONS**--The rate experience will automatically pass to the successor. **PARTIAL ACQUISITIONS**--The predecessor has thirty (30) days from the date of notification to submit form VEC-FC-45 in order for the partial successor to obtain the predecessor's experience record.

DESCRIPTION OF BUSINESS/LABOR (Question 11): In describing business, be specific as to kind of items, customers, etc. Use a separate sheet if necessary. If you have domestic labor only, please indicate.

TAXABLE WAGE BASE: \$8,000.

TAX RATES FOR NEWLY COVERED EMPLOYERS: The rate is 2.84% for 2004, 2.92% for 2005, 2.69% for 2006, and 2.57% for 2007. Out of state contractors of buildings and/or roads are assigned the maximum rate (6.54% for 2004, 6.62% for 2005, 6.39% for 2006, and 6.27% for 2007) if the principal place of business (main office, corporate headquarters, executive offices, etc.) is located in another state or country. Upon receipt of this information, a determination will be made, a number will be assigned if liable, and/or adjustments will be made to your account.